

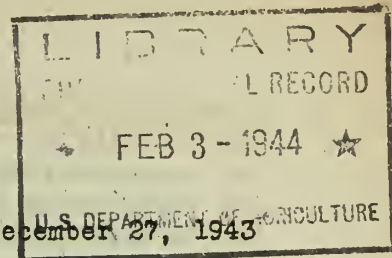
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WAR FOOD ADMINISTRATION
Food Distribution Administration
Washington 25, D. C.



December 27, 1943

SPECIAL COMMODITIES BRANCH MEMORANDUM NO. 8

Supplement B

To: All Divisions and Sections, Special Commodities Branch
From: H. C. Albin, Chief, Special Commodities Branch
Subject: Management and Inspection of Inventories

The responsibilities of the Special Commodities Branch for the management of its inventories are set forth in Director's Memorandum No. 15, Supplement 11 as follows:

1. Ascertaining that inventories are adequate but not excessive.
2. Obtaining periodic inspection of commodities located in "British Warehouses."
3. Obtaining special inspections for class, quality, grade and condition and reporting to the Transportation and Warehousing Branch upon request.
4. Determining and recommending the disposition of commodities reported to be out-of-condition or deteriorating, and arranging for reconditioning when necessary.
5. Reporting to the Inventory Review Committee:
 - (a) The use to be made of each item reported by the Transportation and Warehousing Branch as having been stored as long as the "safe maximum period". (monthly)
 - (b) The identity and quantity of each commodity that should be sold into domestic trade channels during the next following calendar quarter. (quarterly)

In order that these responsibilities may be carried out promptly and uniformly, the Chief of the Analysis and Reports Section is hereby designated as the Branch Liaison Representative on Inventory Management, and shall act as a focal point for all inventory inspection matters between this Branch, the various inspection services and the Transportation and Warehousing Branch.

- I. Ascertaining that inventories are adequate but not excessive is the responsibility of the various commodity representatives. The basis for the determination is the periodic report received from the Transportation and Warehousing Branch which indicates the quantities of our inventory in its various stages ("Report on Unordered Balances of Shipping Programs and Availability and Inventory".) It is the duty of the purchase representative to be aware, at all times, of the status of the inventory of his commodity, taking into consideration the supply and the known requirements, and to initiate and carry out the necessary purchase or sale activity to assure the maintenance of an adequate, but not excessive, inventory position.
- II. Obtaining periodic inspection of commodities located in "British Warehouses" (e.g., Newark Tidewater Terminal; Pier D, Weehawken, N. J. and Buffalo Depot No. 1) is the joint responsibility of the Liaison Representative on Inventory Management and the commodity representative. Representatives of the Inspection Services responsible for inspecting Special Commodities have indicated that it will be practicable for them to perform a regular, periodic examination of our commodities, provided we will specifically authorize each inspection. The following procedure will govern this operation:
 - (a) The Liaison Representative on Inventory Management shall be responsible for preparing all memoranda which request inspection at the various locations designated as British Warehouses. These memoranda shall be initialed by the Chief of each division concerned.
 - (b) The British Warehouse Inventory report, published as of the last day of each month by the Commodity Accountability Section of the Transportation and Warehousing Branch shall be the basis upon which the request for inspection is to be made. Any commodities listed thereon may be included in the request for inspection if, in the opinion of the commodity division, the time elapsed since the last inspection justifies a re-examination. Only when the nature of the commodity is such that it requires a close check on its condition should the request for inspection be made oftener than every 60 days. For commodities of a non-perishable nature, the period may be extended at the discretion of the division chief.
 - (c) The Liaison Representative shall be responsible for following up the requests for inspection and assuring that a report is received. Records will be maintained by him which will indicate the date inspection was requested; the date the report was received, the condition of each commodity reported and the action taken by the Branch for each commodity reported out-of-condition.
- III. Obtaining special inspections of commodities. Responsibility for inspection of warehouses other than those classed as British Warehouses, has been placed in the Transportation and Warehousing Branch by Director's Memorandum No. 15, Supplement 11. Reports of out-of-condition commodities received from that Branch will be handled as follows:

- (a) The Head of the Loss and Damage Sub-Unit of the Transportation and Warehousing Branch has been designated as the central point of contact between that Branch and this in all matters relating to out-of-condition commodities. The Liaison Representative on Inventory Management is designated to act in a similar capacity for this Branch and will receive all notices from the Loss and Damage Sub-Unit and is responsible for promptly advising the commodity representative concerned.
- (b) Upon receipt of advice that a commodity for which it is responsible has gone out of condition, the commodity Division will prepare a memorandum to the proper Inspection Service, indicating the location of the commodity, any other pertinent details and requesting that this Branch be furnished with the following information:
1. Whether repackaging, recooling or reconditioning of packages will be sufficient to restore the commodity.
 2. Whether examination indicates that reconditioning of the commodity itself is necessary.
 3. Whether the commodity is damaged to the extent that all or part is not suitable for reconditioning.

The above memorandum shall be routed to the Liaison Representative for his initials before sending to the Inspection Service.

IV. Determining and Recommending the Disposition of Commodities Reported to be out of condition or deteriorating. On the basis of the report received from the Inspection Service in reply to the request above, the commodity representative shall:

- (a) Take the necessary steps to arrange for the reconditioning of that portion reported to be suitable for reprocessing.
- (b) Advise the Loss and Damage Unit, by memorandum, setting forth in detail the quantity which will be reprocessed, the number of containers which should be repackaged or recooling by the Transportation and Warehousing Branch, the quantity which should be referred to the Salvage Section for sale and any other information or recommendation pertinent to the transaction. This memorandum shall be referred to the Liaison Representative for his initials before forwarding.

V. Reporting to the Inventory Review Committee is the duty of the Liaison Representative on Inventory Management and the required monthly and quarterly reports shall be prepared on the basis of the report furnished by the Transportation and Warehousing Branch and the determination of the commodity representative.

(a) Monthly Reports

When the reports are received in the Commodity Divisions, which indicate the commodities that have been in storage for as long as the safe maximum period, a determination shall be made as soon as possible and transmitted by memorandum from the Division Chief to the Liaison Representative. This memorandum shall contain

the recommended use for each lot designated as having been stored as long as is safe. The liaison Representative will consolidate all recommendations into a report as required by Director's Memorandum No. 15, Supplement 11 and forward to the Inventory Review Committee within the specified period.

(b) Quarterly Reports

The Liaison Representative will prepare the Quarterly Report on the basis of the recommendation of the commodity division in the same manner as that set forth for the monthly report.

This memorandum supersedes Special Commodities Branch Memorandum No. 37, which should be removed from the Manual.

H. Calbin

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